61104.100

DEPARTMENT OF FINANCE AND TOURISM
Economics, Statistics & Fiscal Analysis Division
P.O. Box 2000, Charlottetown
Prince Edward Island
C1A 7N8

No. 29
May
1986

ECONOMIC TRENDS

HISTORICAL TRENDS IN REGIONAL DEVELOPMENT,

PRINCE EDWARD ISLAND

1. Introduction

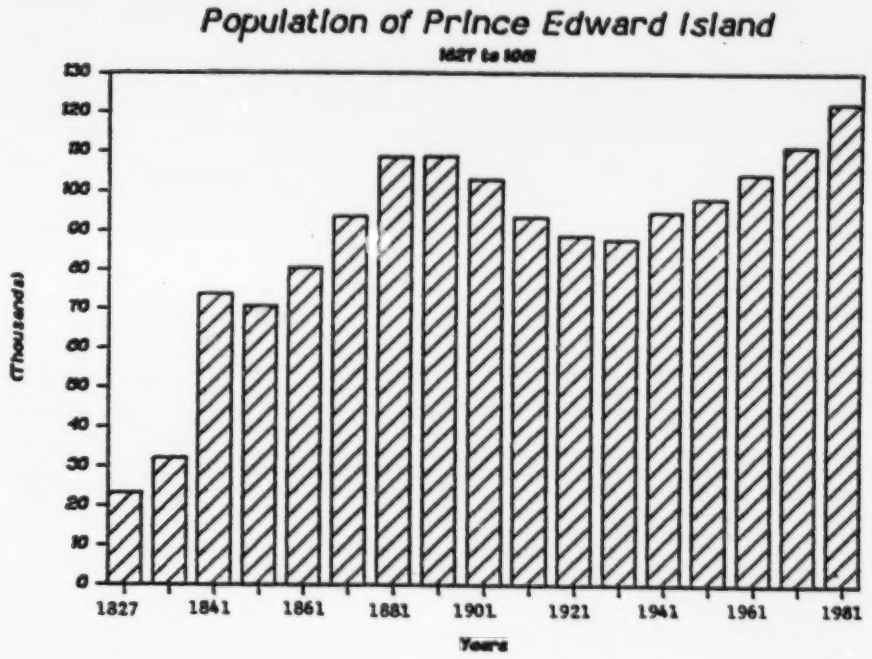
An earlier Economic Trends paper undertook to display information on regions within Prince Edward Island (No. 7, July 1981, A Look at Regions within Prince Edward Island) and this issue revisits that subject. The focus of the earlier paper was on 34 Community Regions for which statistics had been derived at that time. More generalized regions have proven easier to work with and consequently the data used in this report is based either on the five regional service areas, (including a further subdivision into 14 sub regions), or the three counties. In addition, the perspective of this paper is much more long term than before, because the diversity of regional change is more apparent in a long term context. Furthermore much of the continuing discussion on the economic needs of Prince Edward Island has its roots in the divergent economic conditions of differing regions of the Island. This paper identifies the fundamental, long term nature of the factors influencing the slow growth regions of the Province which is in contrast to the significant development of Charlottetown as a mini urban metropolis.

2. The Historical Perspective

In 1871, shortly before Prince Edward Island joined Confederation, there were 94,021 persons living on the Island. Charlottetown, the only municipality at that time was inhabited by 7,872 persons, and an additional 935 lived in the adjacent Royalty.* The rapid population growth of the preceding fifty years was slowing at that time, but continued apace to 1881 when the Island's population reached 109,000, where it stayed for the next 10 years. Diagram 1 displays population statistics for Prince Edward Island from 1827 to 1981. The population developments of the 19th Century, up to 1881, were broadly spread across all regions of Prince of Prince Edward Island. But from 1891 to

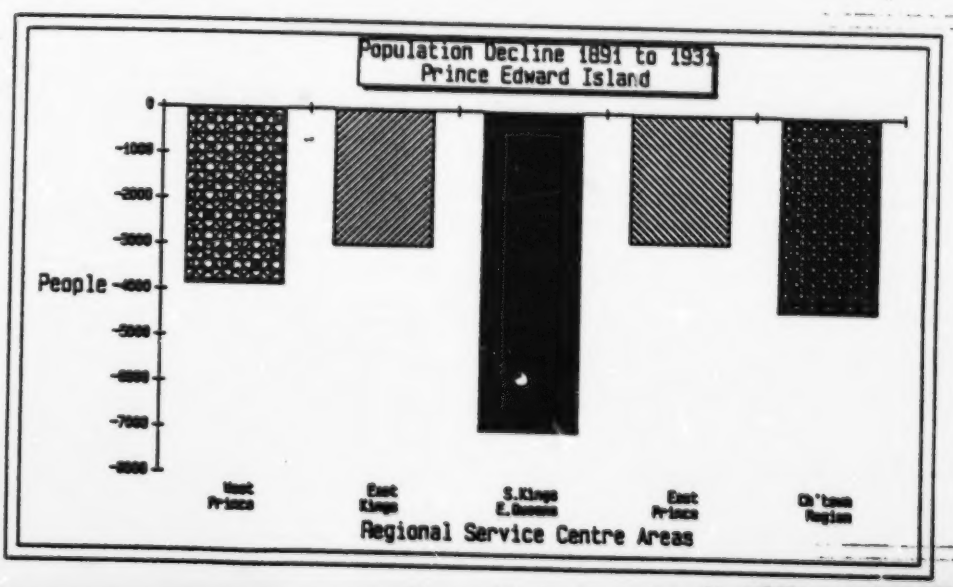
* This was an area adjacent to the City which was held by the Crown.

Diagram 1



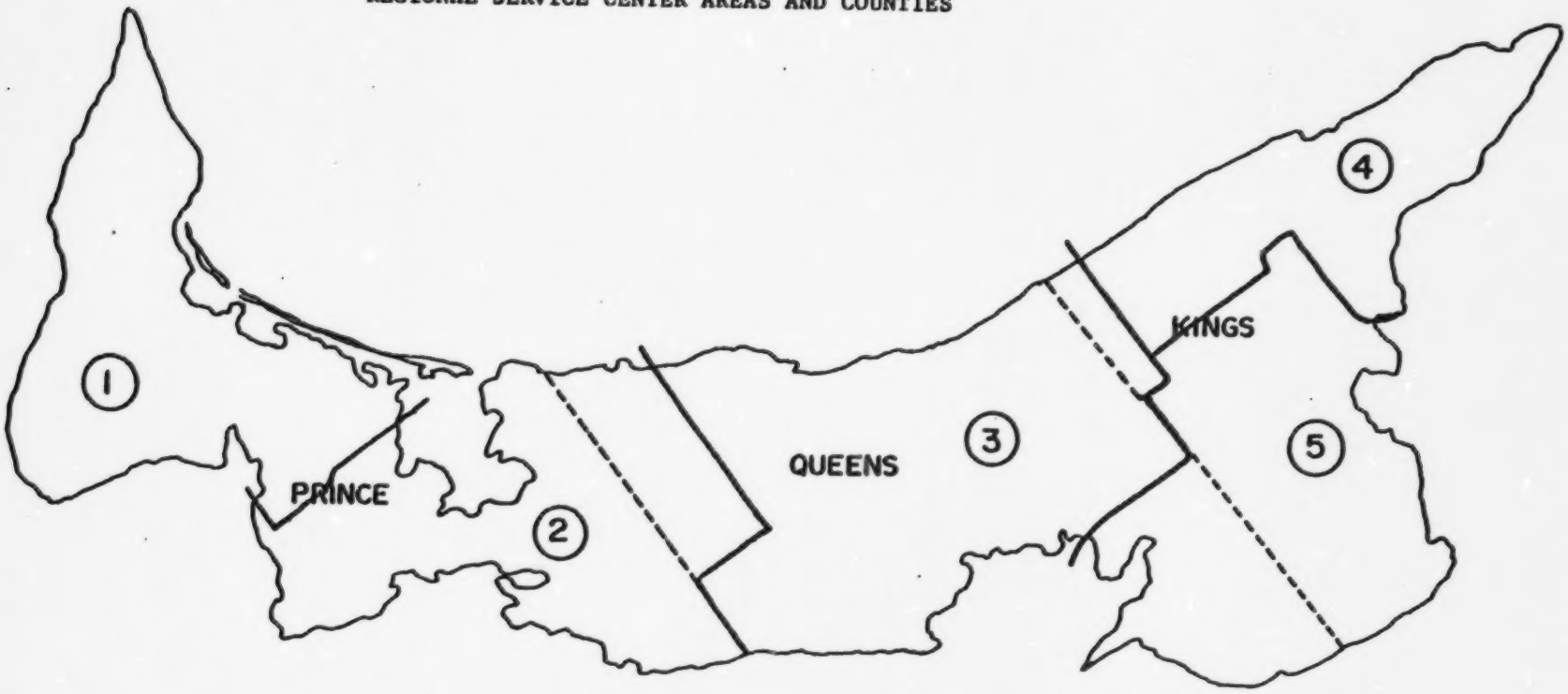
1931 a process of depopulation of Prince Edward Island took place as the total inhabitants declined from 109,000 to 88,000. This period of population loss was also broadly based and Diagram 2 displays its regional character. The five regional service centre areas are identified. Clearly the South Kings/East Queens area suffered the greatest loss. The three Counties and five regions are identified on Map 1.

Diagram 2



MAP 1

REGIONAL SERVICE CENTER AREAS AND COUNTIES

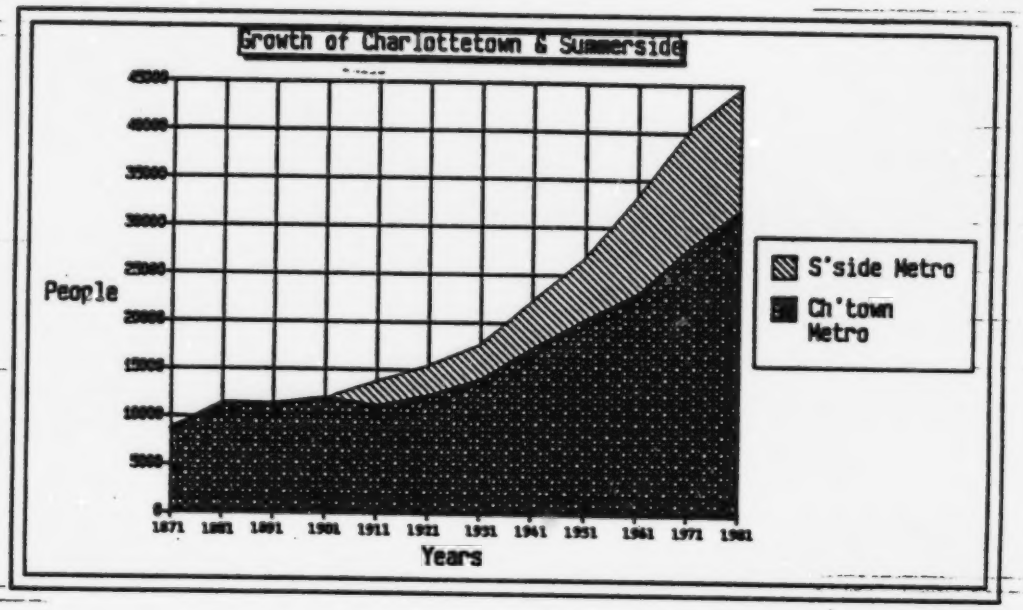


1. WEST PRINCE 2. EAST PRINCE 3. CHARLOTTETOWN 4. EASTERN KINGS

5. SOUTHERN KINGS & QUEENS

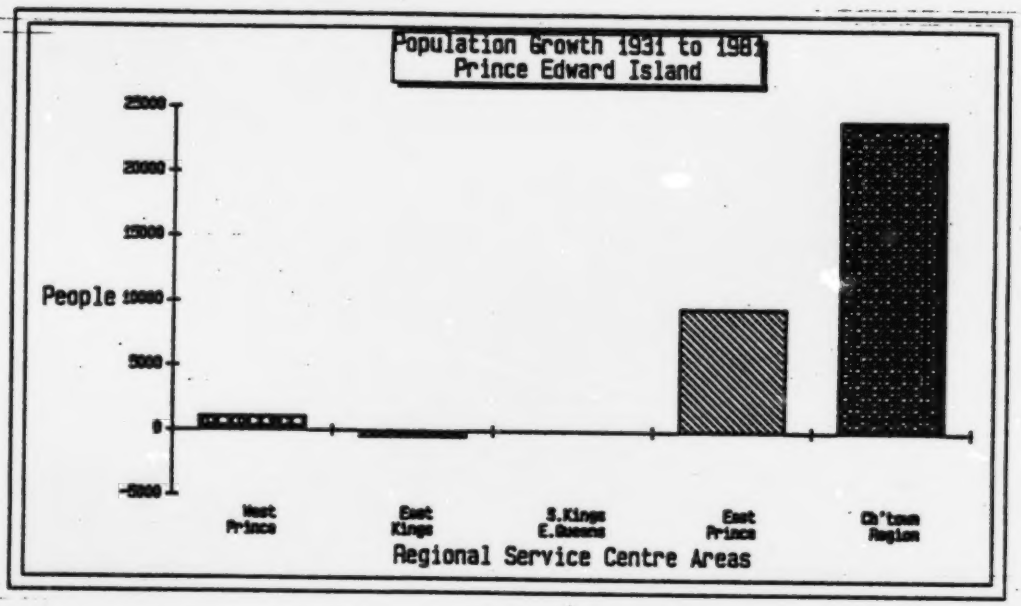
The population of Charlottetown, including the adjacent Royalty, hovered between 11,200 and 12,000 from 1881 to 1911 when the major exodus of population was occurring. Summerside's population was only 2,678 in 1911 when it was first recognized for Census purposes. From that period the two urban centres increased their importance, growing in aggregate from 13,881 in 1911 to 44,800 by 1981 (including adjacent municipalities). This growth is shown in Diagram 3. Furthermore the urban development has extended far beyond municipal boundaries in more recent years such that the urban areas today are themselves regional in nature.

Diagram 3



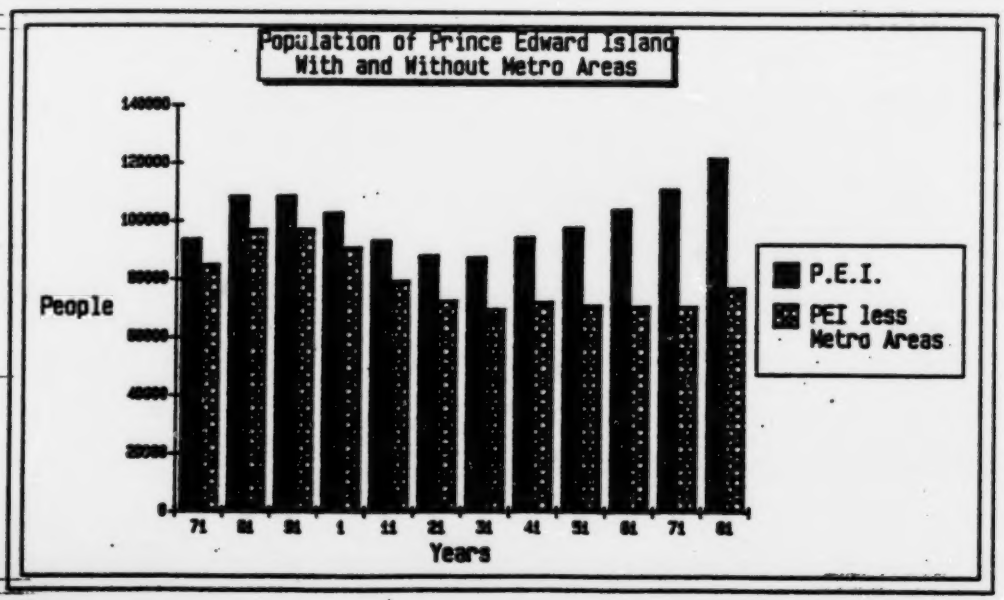
By contrast, the rural oriented regions of Prince Edward Island continued to lose population after 1911 and this loss has stabilized in only very recent times. Diagram 4 summarizes the population gains by region, 1931 to 1981. This diagram forcefully demonstrates the importance of the Charlottetown region and Summerside (in East Prince) for the population recovery of the past fifty years. West Prince for example which has a population of 15,392 today (1981), had 18,152 inhabitants in 1891 and its population today is only barely greater than in 1931.

Diagram 4



The Island's population, exclusive of the Charlottetown and Summerside urban areas, peaked in 1891 at 97,700. It declined to 70,200 by 1931 from which level it basically remained unchanged until 1981. Diagram 5 shows the impact of removing growth of the Charlottetown-Summerside areas from the total. Growth of rural

Diagram 5

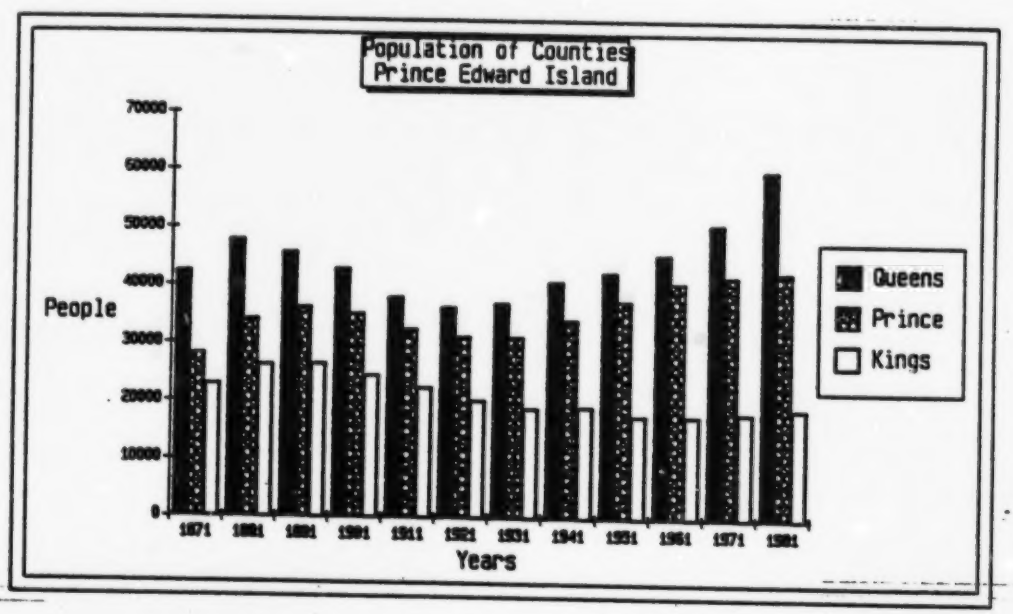


Prince Edward Island between 1971 and 1981 has largely been oriented towards Charlottetown's rural neighbourhoods, such as Cross Roads, Winsloe, Brackley, Kinlock etc., and to a lesser extent smaller centres such as Montague. Even when these rapidly growing urban-rural districts are included in the "rural" population it would have still been only 77,700 in 1981 which was significantly less then it was in 1891.

3. Regional Growth Trends

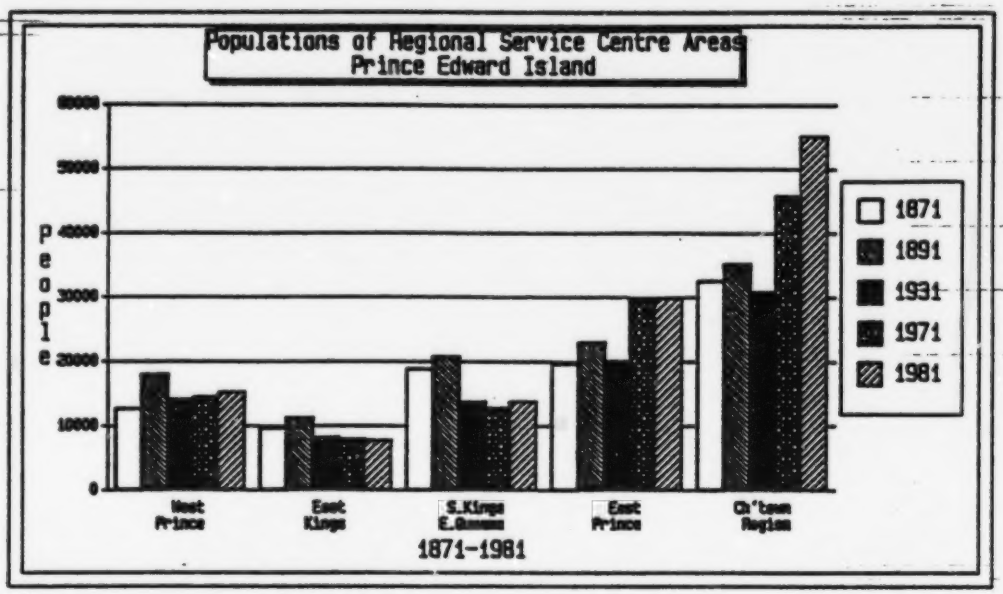
The population statistics for the three Counties are dominated by the trends noted above. Diagram 6 displays population growth 1871-1981 by County. Kings County peaked in 1891 at

Diagram 6



26,633 inhabitants and declined to 1956 to 17,853 since when it increased by about 1,300. County level data for Prince and Queens Counties masks the underlying urban/rural nature of the Trends. Diagram 7 summarizes the periods of growth, decline and recovery for the five regions. The three rurally dominated regions; West Prince, East Kings and South Kings/East Queens have never recovered to the population levels attained in 1891. By contrast, the Charlottetown Region recovered strongly, and now measures 55,300. Summerside's growth has not increased 1971-1981, but it explains the recovery of East Prince from 1931.

Diagram 7



The underlying factor that has caused these differing experiences is the declining employment opportunities available in rural areas contrasted with opportunities for growth of urban oriented industries and related employment opportunities. In particular primary industries, and most importantly, farming has required less and less manpower. The changing labour force requirements of differing industrial groups are identified in Table 1. The urban centres have expanded significantly across a diverse number of industrial sectors. Furthermore these opportunities have accommodated a major upsurge in female employment largely in urban oriented industries.

Table 1

LABOUR FORCE GROWTH TRENDS

PRINCE EDWARD ISLAND

	1951	1981	
* Primary	14,888	9,030	- 39.3%
Secondary	7,340	14,220	+ 93.7%
Tertiary	11,822	33,280	+181.5%
	34,050	56,530	+ 66.0%

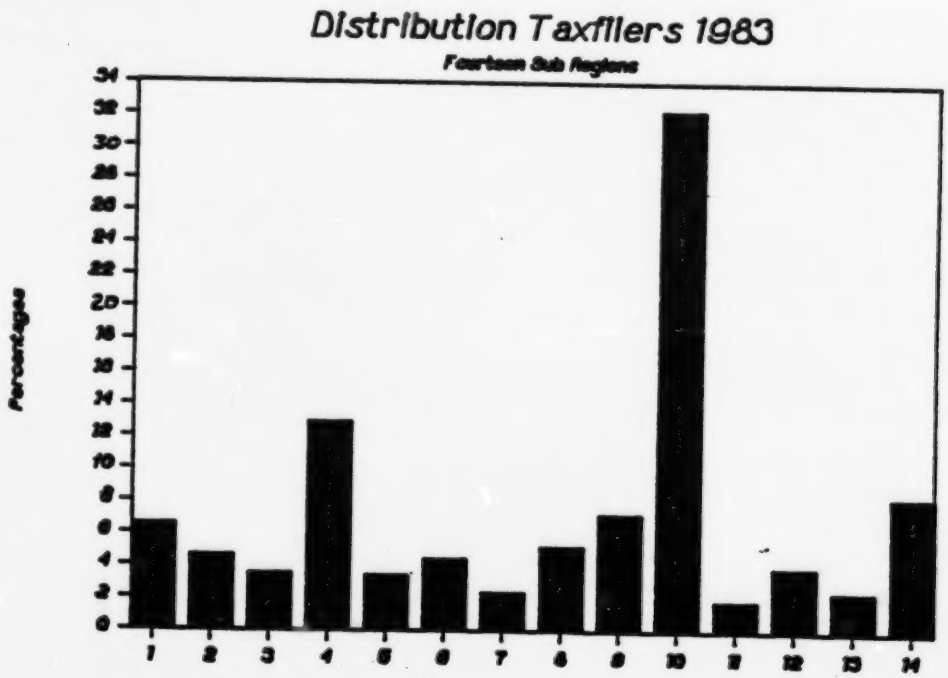
* Primary - Agriculture, Fishing, Forestry
Secondary - Manufacturing, Construction, Transportation, Utilities
Tertiary - Retailing, Services, Public Administration, etc.

4. Economic Profiles

Statistics Canada has been able to construct income profiles of the five regional service centre areas, as well as fourteen sub-divisions of these areas. Map 2 on the following page identifies these areas. The data source is income tax returns and consequently information is not necessarily a complete profile of income, nor does it correspond necessarily with standard definitions of incomes. In particular it understates low incomes. The areas also do not correspond exactly with the census defined boundaries of the regional service centre areas. Nevertheless the data are useful for comparative purposes.

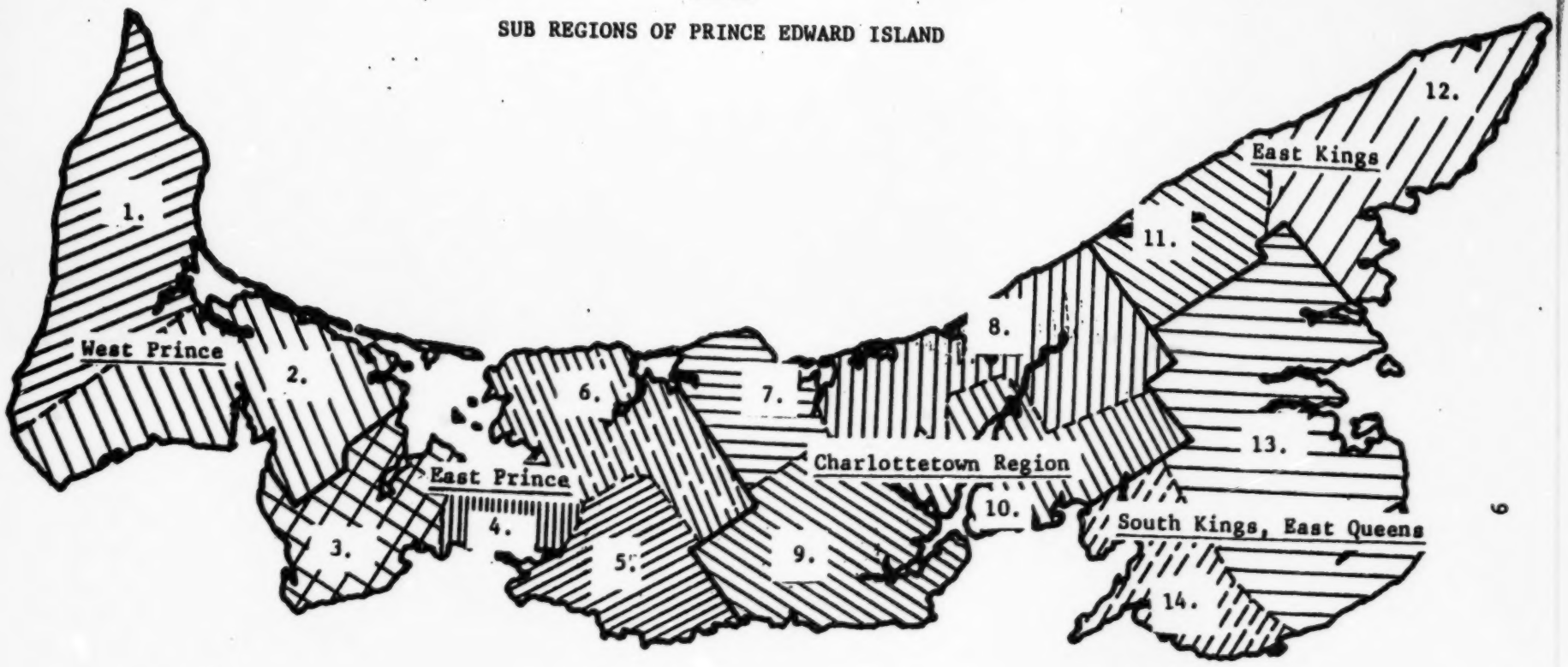
The data shows that the Charlottetown Region holds 47.3 per cent of all Island tax filers. Within this region the Charlottetown urbanized area itself contains 32.3 per cent of the Island's tax filers. (No. 10 in Diagram 8). A further 13 per cent are located in urban Summerside (No. 4), and the remainder are spread fairly thinly across the rest of the Island. In terms of incomes earned on Prince Edward Island the concentration of Charlottetown and Summerside is even more pronounced. The two urban areas contribute to 51 per cent of income earned on Prince Edward Island.

Diagram 8



MAP 2

SUB REGIONS OF PRINCE EDWARD ISLAND



West Prince

1. Upper West Prince
2. Lower West Prince

East Prince

3. West Summerside
4. Urban Summerside
5. South Summerside
6. North Summerside

Charlottetown

7. West North Shore
8. North Shore
9. West Charlottetown
10. Urban Charlottetown

East Kings

11. Lower East Kings
12. North East Kings

S. Kings and E. Queens

13. South Kings
14. East Queens

Incomes per capita vary significantly across the Province, as Diagram 9 shows. Use of Unemployment Insurance is also highly varied, and most pronounced in the rural areas. (Diagram 10).

Diagram 9

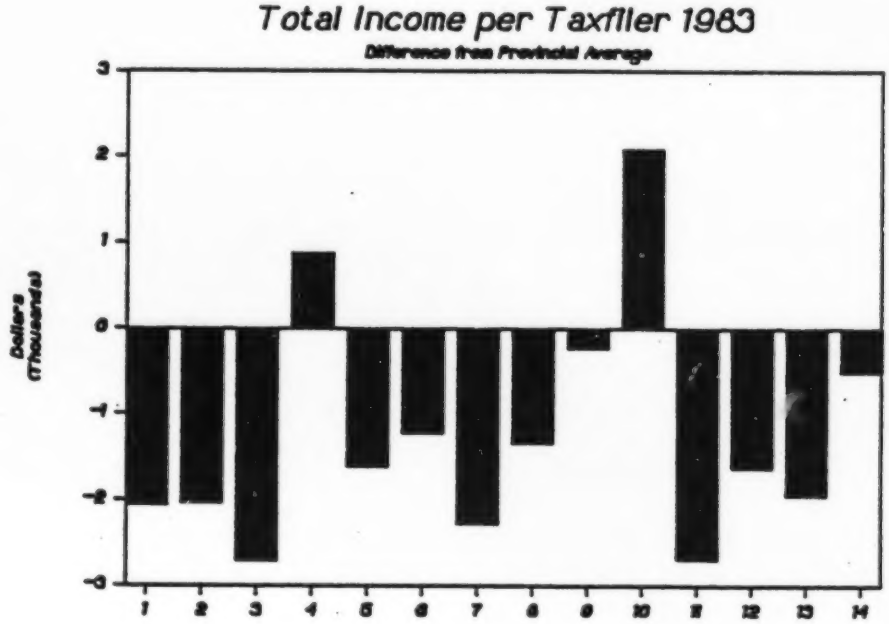
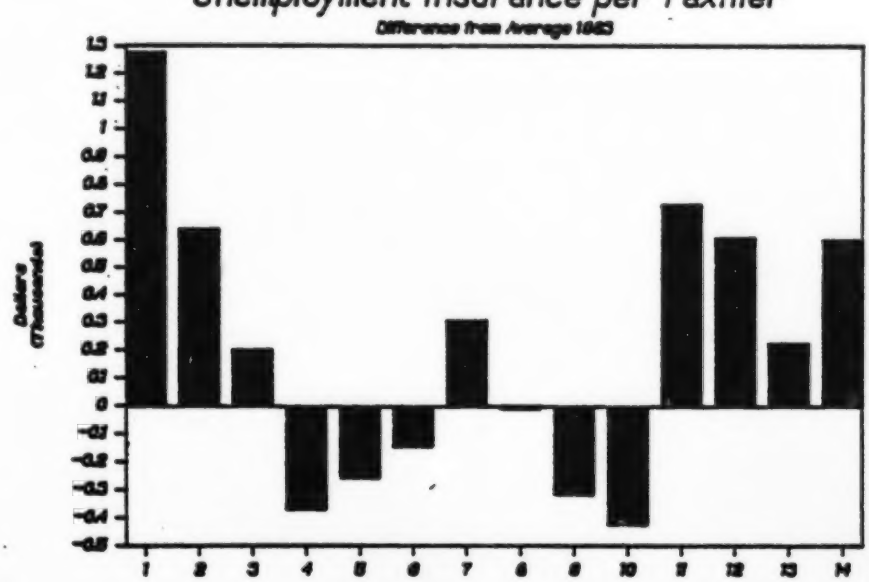


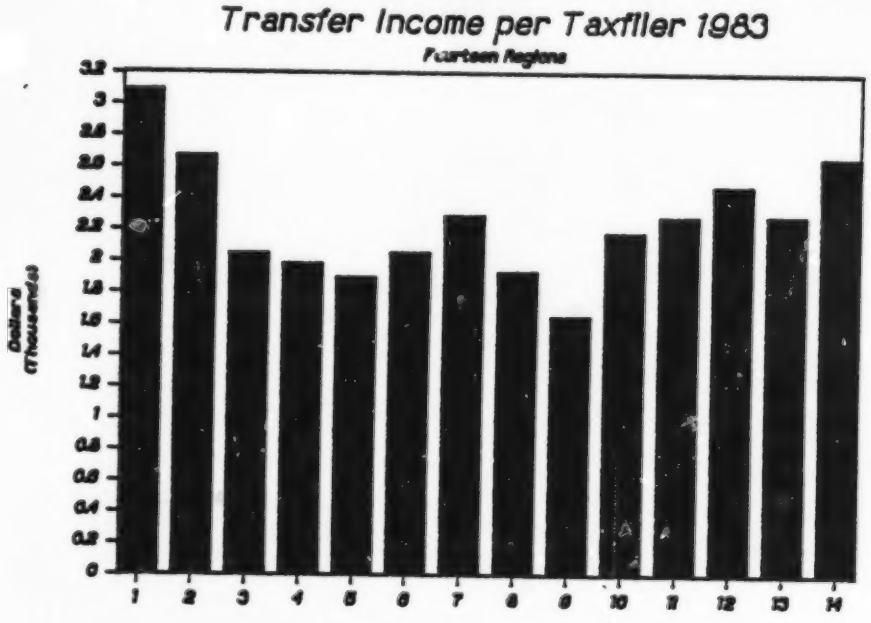
Diagram 10



The relatively low transfer dependent regions are West Charlottetown, Urban Charlottetown, and Urban Summerside. These three regions contain 52.6 per cent of all tax filers on Prince Edward Island.

Transfer incomes are important to all Regions, as Diagram 11 demonstrates. However, the urban areas depend more on pension incomes and Old Age Security than U.I. Benefits.

Diagram 11



The statistical evidence thus suggests that rural Prince Edward Island has significant economic differences from urban areas. This is not to say that the development of the urban community has been entirely independent of the changing fortunes of the rural areas. Changes in the value of both the farm and fish harvests affect business activity in the urban areas. Equipment repairs, fertilizer sales, retail activity, meat and fish plants, automobile sales, trade shows, conventions, entertainment, and so on, are related to the fortunes of the rural economy. However, there can be little doubt that urban development has also taken on a life of its own. Approximately 45 per cent of all tax filers resided in Urban Summerside and Urban Charlottetown in 1983, and considerable numbers live outside the core areas in the rural fringes, commuting to work. Both the number of employment opportunities and the quality of these

opportunities are significantly different between the rural and urban areas, as can be seen from the high transfer dependence and low incomes of the rural areas, coupled with their low growth experience.

5. Summary and Conclusion

The continuing debate over the development of Prince Edward Island takes place against a background of extreme divergence of growth paths between its rural and urban parts. Charlottetown enjoyed significant growth from the 1930's, up to and including the present. Today its influence extends far beyond its municipal boundaries. Summerside expanded until the 1960's since when it has experienced limited gains. The remainder of Prince Edward Island continued to shrink in numbers from the late 19th Century, up until the late 50's, since when growth has been very limited. Undoubtedly the reduction in the agricultural labour force has been the major factor at work, coupled with sharply reduced numbers of the population living on farms. Without the growth of the two major urban centres the total population of Prince Edward Island would have remained below its peak of 1891.

The high unemployment, low incomes and high dependence upon unemployment insurance that characterize the rural regions are not encouraging signs that the process of rural depopulation has come to a satisfactory conclusion. How have other rural areas fared? In March 1982 an Economic Trends paper compared three rural Ontario counties with Prince Edward Island. The total farm area of each County approximates Prince Edward Island's. Bruce and Grey Counties have little industry other than farming, and their populations in 1981 numbered 60,000 and 73,800 respectively. Their growth had been very slow for much of the century and today their numbers are not so different from the population of "Non-Metro" Prince Edward Island. Simcoe County was also examined and it proved to be the exception, experiencing rapid growth as a result of significant urban developments, particularly in the Toronto-Barrie corridor. By 1981 its population had grown to 225,000. Prior to 1945 Simcoe had less people than Prince Edward Island. The Ontario Counties' growth trends have been dominated by urban growth factors which demonstrates that the experience of Prince Edward Island parallels that of other regions in Canada. The major difference has been the severe population loss on Prince Edward Island as the population has adapted to mechanized agriculture. Judging by these comparisons the evidence suggests that prospects for population gains in non urban areas of Canada have been very limited.